

INFORMATION REPORT

COUNTRY Germany (Russian Zone)

DATE DISTR. 24 November 1948

SUBJECT Effects of Western Blockade upon Industry in Saxony and Thuringia  
25X1A6a

NO. OF PAGES 2

PLACE ACQUIRED

NO. OF ENCLS.  
(LISTED BELOW)

DATE OF INFO Early October 1948  
25X1X6

SUPPLEMENT TO  
REPORT NO.

CIA LIBRARY

1. In the past, most of the precision instruments and optical equipment manufactured in Dresden factories were sold to wholesale firms and industrial concerns in Berlin. Since this outlet is now closed, manufacturers are encountering difficulties in disposing of their entire production.
2. The equipment of all power stations in the Soviet Zone of Germany has become so obsolete that a general breakdown of the power supply appears imminent. The inability to secure new pipes is an especially grave problem, endangering the life of the men tending the boiler plants. The Russian agencies in Karlshorst, aware of the seriousness of the situation, have been trying to order the material from Russia. However, the pipes delivered turned out so unsatisfactorily, showing deviations up to one hundred per cent, that it was impossible to use them. Only an insignificant number of pipes has been coming in from Czechoslovakia.
3. There are indications that the former AEG Werke, Koppelsdorf, makers of radio equipment, continue to receive the necessary tubes from the Telefunken plant in the American Sector of Berlin.
4. Twenty-five tons of cellulose were shipped by the Thüringische Zellwolle A.G., Schwarz, to various yarn and twine factories in South Baden, in exchange for which thread is to be delivered on which the smooth running of the clothing industry in the Eastern Zone is dependent. The interested parties are confident that the running of the blockade will present no difficulties.
5. In the past, most reparations orders called for shoes with leather soles. As a result of an acute shortage of heavy leather, the soles are now being made from synthetic materials. It is not yet clear whether future reparations orders will be changed accordingly, or whether these products will be diverted to the German market.
6. Thuringian industry is so short of paints and lacquers that it is even impossible to fill all orders for the Russian Army.

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 15 October 1963 from the Director of Central Intelligence to the Archivist of the United States.  
Next Review Date: 2008

CLASSIFICATION SECRET

STATE #	<input checked="" type="checkbox"/> NAVY #	<input checked="" type="checkbox"/> NSRB	DISTRIBUTION
ARMY #	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/>	

WARNING NOTICE: THIS DISTRIBUTION LISTING MUST BE EXCISED BEFORE PUBLIC RELEASE OF THIS DOCUMENT.

SECRET

Document No. 057  
NO CHANGE in Class. ☐  
DECLASSIFIED ☒  
Class. CHANGED TO TS  
DDA Memo, 4 Apr 77  
Auth: DDA REG-77/1763  
Date: 05 MAR 1978

~~SECRET~~~~CONFIDENTIAL~~

25X1A2g

CENTRAL INTELLIGENCE AGENCY

25X1X6

- 2 -

7. The situation in regard to Thuringian foundries is about the same as in August 1948. The foundries have been receiving small quantities of crude iron from the Unterwellenborn plant. Coke was delivered from the Zwickau mining area; this resulted, however, in breakdowns because the use of coke makes it impossible to maintain a constant temperature. The electric current available is insufficient for using the cupola, which made it become necessary to use for the most part the "Pfannen" process. Here too, the foundries are hampered in their work by a shortage of manganese, phosphorus, and the like, which used to be supplied from Western Germany and without which no first-rate product can be obtained.
8. In the past, the ceramic industry of Thuringia bought the needed quantities of feldspar from quarries in Hesse. It is alleged that this product continues to reach the ceramic factories from the west.

~~SECRET~~~~CONFIDENTIAL~~